

Department of Social and Health Services

DP Code/Title: M2-9R Utilization Changes

Program Level - 080 Medical Assistance

Budget Period: 2001-03 Version: H3 080 2001-03 2003 Sup Agency Req

Recommendation Summary Text:

This step requests the funding needed to address changes in utilization of medical services by Medical Assistance Administration (MAA) clients in Fiscal Year 2003, as estimated in the Medical Assistance October 2002 Forecast.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	56,271,000	56,271,000
001-2 General Fund - Basic Account-Federal	0	(2,364,000)	(2,364,000)
001-7 General Fund - Basic Account-Private/Local	0	8,311,000	8,311,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	58,453,000	58,453,000
03C-1 Emer Med Ser/Trauma Care Sys Trust-State	0	(4,600,000)	(4,600,000)
760-1 Health Services Account-State	0	(18,168,000)	(18,168,000)
Total Cost	0	97,903,000	97,903,000

Staffing

Package Description:

Factors that affect utilization include changes in the intensity and duration of care, technology, and changes in the configuration of services provided to clients. Once all known changes in caseload, rates, program structure, and coverage are accounted for, it is assumed that remaining projected costs are those attributable to changes in utilization.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Improve the quality of, access to, and satisfaction with, health care services received by MAA clients.

Performance Measure Detail

Program: 080

Goal: 10H Assure access to high quality health care

No measures submitted for package

Incremental Changes

FY 1

FY 2

Reason for change:

The October 2002 MAA forecast for the remainder of the current biennium resulted in expenditure projections that exceed amounts that are attributable solely to caseload increases.

Impact on clients and services:

Funding this step assures that MAA clients will continue to have access to necessary medical services.

Impact on other state programs:

MAA assures access to virtually all populations of Department of Social and Health Services (DSHS) clients who meet

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program eligibility criteria. These include the most vulnerable populations served by DSHS programs - the aged, the disabled, children, WorkFirst clients, and others.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The requested funding supports the provision of medical service to MAA clients who are, for the most part, a population served under the Medicaid entitlement program. Therefore, no alternatives have been explored concerning other means of meeting these costs attributable to medical service utilization. MAA has systems in place that are intended to insure that all services provided to clients are based on medical necessity and to identify and manage over-utilization of services when needed. MAA continues to seek ways of improving these utilization management systems.

Budget impacts in future biennia:

Changes in medical assistance program utilization are ongoing and are a function of the forecast process.

Distinction between one-time and ongoing costs:

There are no one-time costs associated with this decision package.

Effects of non-funding:

The failure to fund the increase in costs attributable to utilization would likely force MAA to propose elimination of optional services and/or populations from coverage under MAA health care programs. The scope of any reductions/eliminations have not yet been estimated. If reductions are taken, it would result in the loss of health care coverage for certain optional coverage groups and/or elimination of optional service categories such as physical occupational speech/language therapies, dental, vision care, and other optional services.

Expenditure Calculations and Assumptions:

This utilization step is calculated as follows:

[October Forecast Values - Program 1000]

LESS

[Current FY 2003 Allotments + Caseload Increase]

See attachment - 080 M2-9R Utilization Changes.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	97,903,000	97,903,000

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	56,271,000	56,271,000
<i>Total for Fund 001-1</i>		0	56,271,000	56,271,000
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	(101,000)	(101,000)
767H	Children's Health Ins Prog (CHIP)	0	(2,263,000)	(2,263,000)
<i>Total for Fund 001-2</i>		0	(2,364,000)	(2,364,000)
Fund 001-7, General Fund - Basic Account-Private/Local				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	0	8,311,000	8,311,000
<i>Total for Fund 001-7</i>		0	8,311,000	8,311,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	28,111,000	28,111,000
19TB	Title XIX Assistance (100%)	0	884,000	884,000
19TD	Title XIX Assistance (90%)	0	29,458,000	29,458,000
<i>Total for Fund 001-C</i>		0	58,453,000	58,453,000
Fund 03C-1, Emer Med Ser/Trauma Care Sys Trust-State				
<u>Sources</u>	<u>Title</u>			
03C1	State Emergency Medical Services/Trauma	0	(4,600,000)	(4,600,000)
<i>Total for Fund 03C-1</i>		0	(4,600,000)	(4,600,000)
Fund 760-1, Health Services Account-State				
<u>Sources</u>	<u>Title</u>			
7601	Health Services Account	0	(18,168,000)	(18,168,000)
<i>Total for Fund 760-1</i>		0	(18,168,000)	(18,168,000)
Total Overall Funding		0	97,903,000	97,903,000